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give priority to job creation over the reduction of the deficit and he would know it had he listened to what the leader of the Liberal party said during the election campaign. The reduction of the deficit is of course a long-term objective we should strive for. Putting that objective ahead of job creation may be the Conservative solution but it is surely not the Liberal one. I remember that the leader of my hon. friend for Châteauguay said to Montrealers when he came to speak at Place Ville-Marie: "I promise you to make Montreal the major city it used to be." And Montrealers thought that it meant more jobs and more economic growth for Montreal.

Now the first step taken by his Minister of Finance was to make cuts in VIA Rail which means that the maintenance base for VIA Rail may not be built in Montreal. The Hon. Member is from the Montreal area and he should look into that matter.

The Minister of Transport (Mr. Mazankowski) who belongs to the same cabinet has relocated the Canadian Air Safety Board in the National Capital area without any consultation even though he told me in this House that he had some consultations with concerned authorities. But we have documentary evidence that the mayor of Montreal or the chairmen of the Chamber of Commerce and the Board of Trade as well as the chairman of the Montreal Urban Community have declared: "We were never consulted by you. You have relocated that air organization which is quite important for the Montreal economy and you did so without prior consultation."

I hope, Mr. Speaker, that the Hon. Member who has just put that question to me will join the Liberals to exert pressure on the Tory ministers so that Montreal will regain the status it once had, such as promised by the Progressive Conservative leader. Job creation measures will be needed rather than cuts such as those imposed by the Minister of Finance.

The Acting Speaker (Mr. Paproski): Another supplementary question? The Hon. Member for Châteauguay (Mr. Lopez).

Mr. Lopez: Mr. Speaker, I think the Hon. Member is well aware that reducing the deficit is the key to creating jobs. Reducing the deficit will bring the interest rates down. And everybody knows that it is the excessively high interest rates resulting from the Liberal Party's mismanagement which is responsible for the high unemployment rate we now have in this country.

Does the Hon. Member not agree then that after we have reduced the deficit, we will be able to boost the economy and create jobs?

Mr. Ouellet: Mr. Speaker, I think the Hon. Member for Châteauguay (Mr. Lopez), the overnight expert financial critic, is overlooking a number of international economic factors. He should recognize that the value of the Canadian dollar and the level of interest rates in our country are linked to the

economic situation in the United States, and that no matter the budget cuts my hon. friend would like to make to ease interest rates in Canada, our interest rates will fluctuate along with those in the United States.

And until such a time as the economic situation in the United States is dealt with by President Reagan's administration, this Conservative government has an obligation to do everything in its power to help the Canadian people who are looking for jobs. Young Canadians, one million and some hundreds of thousands Canadian men and women who are now unemployed want to hear something other than "the deficit will be reduced by the Conservative government". A lot of good that is going to do them in their efforts to find jobs. It is not by creating more unemployment within the federal Public Service for the sake of reducing government spending that we will help our unemployed people.

[English]

Mr. Dick: In the 12 years I have been here as an Hon. Member—the Hon. Member for Papineau (Mr. Ouellet) has been a cabinet Minister most of that time—we have gone from a surplus and, in the last ten years, an ever increasing deficit, allegedly because of job creation. At the same time, we have gone from 4.5 per cent unemployment to 12 per cent unemployment. Since we have tried the deficit route and have ended up losing jobs rather than creating jobs, would the Hon. Member not now agree that it is best to look at an alternative way of trying to create jobs?

Mr. Ouellet: I regret to disagree with the Hon. Member. Quite clearly he forgets to mention one element which is extremely important. He and other Hon. Members of his Party very systematically avoid mentioning the fact that there have been more people entering the labour force during this period than in any other industrialized nation. What we have been faced with in Canada is not only the oil crisis of the industrialized world—

Mr. Crosbie: Everyone faced that.

Mr. Ouellet: —but at the same time the increase of the labour force due to the baby boom after the war.

Mr. Crosbie: They had babies everywhere, not just in Canada.

Mr. Ouellet: The number of people who entered the labour force increased because of the reality that there is more than one person per family who wants to work. Therefore, the previous government has had to face a tremendous request for jobs, which we met substantially by creating more jobs per capita than any other industrialized nation in the world.

Mr. Dick: Most of them for 20 weeks.

[Translation]

The Acting Speaker (Mr. Paproski): Order, please! I regret to interrupt the Hon. Member, but the time allotted to questions and comments has expired.